



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

OCT - 2 2002

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Bob Ream, Chairman  
Montana Democratic Party  
P.O. Box 802  
Helena, MT 59624

RE: MUR 5294  
Citizens for Reform  
Citizens for the Republic Education Fund  
Rick Hill for Congress Committee and  
Gary F. Demaree, as treasurer

Dear Mr. Ream:

The Federal Election Commission has considered the allegations contained in the complaint dated April 4, 1998 filed by you, which complaint was designated as part of MURs 4568, 4633, 4634 and 4736. With respect to the allegations you made regarding Citizens for Reform ("CR") and Citizens for the Republic Education Fund ("CREF"), there was an insufficient number of votes to find probable cause to believe that either organization had violated 2 U.S.C. §§ 433, 434, 441a or 441b, provisions of the Federal Election Campaign Act of 1971, as amended, in connection with certain television advertisements sponsored by CR and CREF and managed by Triad Management Services, Inc. ("Triad") prior to the 1996 congressional elections. Any forthcoming Statements of Reasons, which would outline the bases for the Commission's decision regarding CR and CREF in this matter, will be sent to you under separate cover. A lawsuit relating to certain activities Triad, its predecessor organization, and Ms. Malenick engaged in during the 1996 election cycle was filed in federal district court on June 21, 2002. This case, *FEC v. Carolyn Malenick d/b/a Triad Management Services, et al.*, CIV. No. 02-CV-01237 (DDC), is currently pending.

The Commission has also considered the allegations relating to the participation of the Rick Hill for Congress Committee and Gary F. Demaree, as treasurer, in the above-referenced television advertisements. The Commission was equally divided on whether to find probable cause to believe that the Rick Hill Committee and Gary F. Demaree, as treasurer, violated

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2 U.S.C. §§ 434(b), 441b or 441a(f), and consequently voted to take no further action against those respondents. A Statement of Reasons by the three Commissioners who voted against finding probable cause is enclosed. Any forthcoming Statements of Reasons will be provided under separate cover.

On September 6, 2002, the Commission severed the portion of MURs 4568, 4633, 4634 and 4736 concerning CR, CREF and the Rick Hill for Congress Committee and Gary F. Demaree, as treasurer, and placed them into a new matter, designated MUR 5294. On the same date, the Commission closed MUR 5294. Accordingly, the confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. MURs 4568, 4633, 4634 and 4736 remain open with respect to other respondents.

Because of restrictions recently placed on the Commission with respect to its making public investigative files in closed enforcement matters, the public record in this matter will consist of the relevant sections of the dispositive General Counsel's Reports, the relevant sections of the Certifications of the Commission's votes, Conciliation Agreements and Statements of Reasons. See American Federation of Labor and Congress of Industrial Organizations v. FEC, 177 F. Supp.2d 48 (D.D.C. 2001), appeal docketed, No. 02-5069 (D.C. Cir. Feb. 28, 2002). In addition to the Statement of Reasons referenced above, copies of the General Counsel's Reports and Certifications of the Commission's votes as described above are enclosed.

Please be advised that the Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's decisions. See 2 U.S.C. § 437g(a)(8). If you have any questions, please contact Marianne Abely, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

Lawrence H. Norton  
General Counsel



BY: Rhonda J. Vosdigh  
Associate General Counsel  
for Enforcement

Enclosures:  
As stated.

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